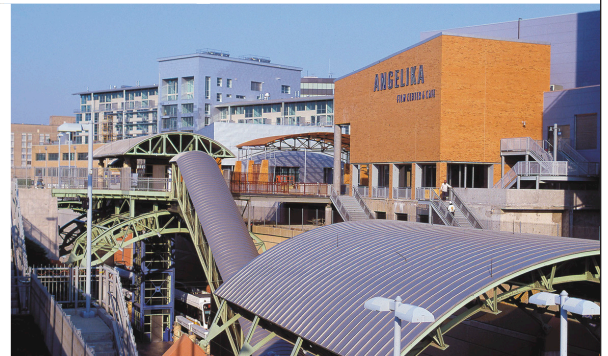


# Guide to Facilitate Historic Preservation through Transit-Oriented Development



**AUTHORS:**  
John Renne, Ph.D., AICP  
David Listokin, Ph.D.





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# Abbreviations

CDE	community development entity
DART	Dallas Area Rapid Transit
FHTC	federal historic tax credit
FY	fiscal year
HTC	historic tax credit
HUD	Housing and Urban Development
ISTEA	1991 Intermodal Service Transportation Act
ITC	investment tax credit
LIHTC	low-income housing tax credit
LPC	Landmarks Preservation Commission
MAP-21	2013 Moving Ahead for Progress in the 21st Century
MPO	metropolitan planning organization
NHPA	1966 National Historic Preservation Act
NMTC	new markets tax credit
NRHP	National Register of Historic Places
SAFETEA-LU	2005 Safe, Accountable, Flexible, and Efficient Transportation Equity Act—A Legacy for Users
SHTC	state historic tax credit
SRHP	state register of historic places
TAD	transit-adjacent development
TDR	transfer of development rights
TEA	Transportation Enhancement Activity
TEA-21	1998 Transportation Equity Act for the 21st Century
TIF	tax increment financing
TOD	transit-oriented development

# Chapter 1

# Introduction



## Description of Transit-Oriented Development in Historic Neighborhoods

### DEFINITION OF TRANSIT-ORIENTED DEVELOPMENT

Transit-oriented development (TOD) is:

- Dense, mixed-use, and pedestrian-focused development.
- Located within walking distance (a half mile) of a fixed-route transit station, usually a passenger rail, ferry, or bus rapid transit station.

### USE OF TOD IN HISTORIC NEIGHBORHOODS

Communities can use TOD to revitalize historic neighborhoods around stations. In many instances, TOD and historic preservation are complementary. Developers revitalize iconic historic structures including transit terminals—and the buildings near them—into hubs of commercial activity.

In other cases, where there is tension between TOD and historic preservation, historic buildings have been demolished to make room for higher-density construction near transit.

### EXAMPLES OF TOD IN HISTORIC NEIGHBORHOODS

Two famous examples of the tension between TOD and historic preservation are:

- Pennsylvania Station.
- Grand Central Station.

These transit stations in New York City were two of the busiest transit hubs in the United States.

#### Pennsylvania Station

The architecture of Pennsylvania Station was regarded as a masterpiece of Beaux-Arts–style construction, and yet the building was demolished to increase density and make room for Madison Square Garden and Pennsylvania Plaza.



**Pennsylvania Station and Grand Central Station in New York City were two of the busiest transit hubs in the United States.**



### Grand Central Station

Grand Central Station was also threatened but ultimately preserved through its designation as a historic landmark and through historic preservation strategies such as the transfer of development rights (TDR). TDR is a valuable preservation and TOD tool, and allows the landmark owner to sell unused air rights to other sites.

## About the Research

### PREVIOUS REPORTS ON REVITALIZATION

In 2001, the Great American Station Foundation published a report, *Economic Impact of Rail Station Revitalization*. It reported that the revitalization of historic rail stations can result in a significant increase in employment, household income, property value, and local property tax revenues for cities and towns of all sizes.

The report laid the groundwork for Reconnecting America and its Center for Transit-Oriented Development to produce many resources on the topic of TOD. However, a gap remains in examining the tensions and opportunities between TOD and historic preservation, especially for buildings beyond the immediate station terminal.

### THIS STUDY

This guidebook was part of a larger study effort called the Opportunities and Tensions of Historic Preservation and Transit-Oriented Development.

The larger study included:

- A literature review.
- A national data analysis of the intersection of historic property data at the federal and state level with fixed-route transit station data across the United States.
- A summary of meetings conducted with experts in the field.
- Eight detailed case studies from across the country.
- A state-level analysis of the availability of data on historic properties.

This guidebook draws upon the findings from the overall study. More information is available in the full report at <http://static.tti.tamu.edu/swuttc.tamu.edu/publications/technicalreports/600451-00116-1.pdf>.

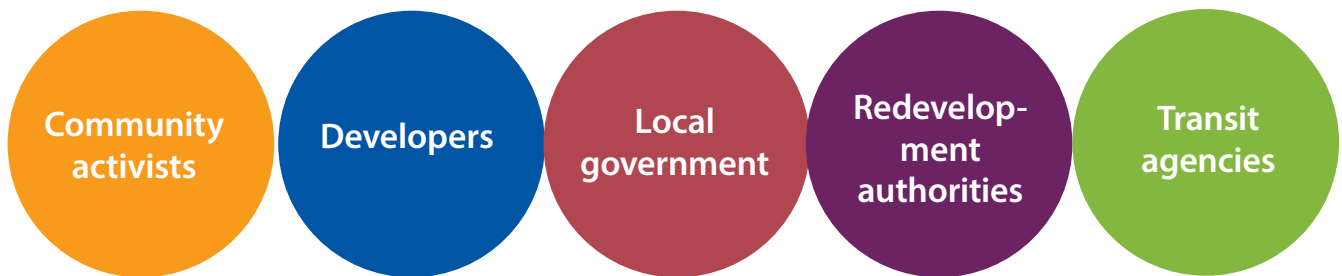
# In This Guidebook

## PURPOSE OF THIS GUIDEBOOK

This guidebook aims to help you better understand the TOD–historic preservation interaction. It also aims to help you understand the tensions and opportunities of this interaction, and provides tools to coordinate both.

## AUDIENCE FOR THIS GUIDEBOOK

The audience for this guidebook is any stakeholder or group of stakeholders that have interest in preserving buildings in and near TODs. Many stakeholders can be involved in the process of preserving historic buildings in TODs, including:



## CONTENTS OF THIS GUIDEBOOK

This guidebook is organized as follows:

- **Chapter 2** presents the background and context:
  - A brief background of TOD and historic preservation.
  - A discussion of the opportunities and tensions for TOD and historic preservation across the United States.
- **Chapter 3** discusses tools to promote TOD.
- **Chapter 4** discusses historic designation and regulation.
- **Chapter 5** discusses historic preservation financial aids to preserve historic buildings, especially within the context of TODs.
- **Chapter 6** discusses TDR rights as a tool to redirect growth within TODs.
- **Chapter 7** discusses the role of stakeholders and public-private partnerships.

This guidebook aims to help you better understand the TOD–historic preservation interaction. It also aims to help you understand the tensions and opportunities of this interaction, and provides tools to coordinate both.

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Chapter 2

# Background and Context



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## CHAPTER 2: BACKGROUND AND CONTEXT

### Overview

This section of the guidebook briefly summarizes TOD and historic preservation across the United States and discusses the tensions and opportunities between TOD and preservation.

### TOD

#### REASONS FOR TOD

Transit systems are expanding, and societal trends include growing demand among millennials and empty-nesters to live in mixed-use, walkable, and transit-oriented neighborhoods. In response, many communities are redeveloping station areas by creating more dense, commercial, and residential projects and walkability. This leads to a number of benefits.

#### BENEFITS OF TOD

TOD has been promoted for its benefits to the environment, local economy, and community.



##### Benefits to the Environment

Hundreds of studies have examined the travel patterns of residents in walkable and transit-served neighborhoods, including TODs. These patterns show more sustainable outcomes. Less driving, more walking, and transit use yield fewer greenhouse gas emissions among TOD residents.



##### Benefits to the Economy

Dozens of studies have shown a statistically significant positive relationship between land value and proximity to rail stations. TODs can be hubs of economic opportunity, including job growth and positive generators of local tax revenue.



##### Benefits to the Community

TODs are location efficient, resulting in lower overall expenditures on housing and transportation costs among residents.

TODs contain higher levels of rentals, and communities have targeted TODs to expand affordable housing options.

Transit systems are expanding, and societal trends include growing demand among millennials and empty-nesters to live in mixed-use, walkable, and transit-oriented neighborhoods.

### IMPACT OF TODS ON HISTORIC NEIGHBORHOODS

The limited supply and high demand for living in TODs have generated eagerness among planners and developers to create new TOD opportunities. Such demand could serve as both an **opportunity** and **threat** to historic buildings in station areas.

## Historic Preservation

### EXPANSION OF INTEREST IN HISTORIC PRESERVATION

The purview and scope of historic preservation have expanded significantly. Whereas historic preservation once focused on nationally significant places of history and architectural achievement, today a wide variety of resources deemed important to the nation, state, and local community—from archaeology to engineering—are being preserved.

Historic preservation was once mainly a private activity. Today, although the private emphasis remains, there are many public programs and regulations. The sheer number of preservation efforts reflects the expansion of the field (Table 1).

**Table 1. Comparison of Interest in Historic Preservation.**

Year	Listings in the National Register of Historic Places	Local Historic District Commissions
1970	About 2,500	About 200
2016	More than 90,000	More than 3,000

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## CHAPTER 2: BACKGROUND AND CONTEXT

### **BENEFITS/DISADVANTAGES OF HISTORIC PRESERVATION**

The benefits of historic preservation to the environment, economy, and community have contributed to its growing popularity.

#### **Benefits to the Environment**

The act of preserving the existing physical housing and nonresidential stock and adaptively reusing this stock for contemporary uses epitomizes environmental conservation. Preserving the existing stock also reduces the energy needed for new construction and materials such as steel, glass, brick, wood, and plastic.

Also, the historic stock is disproportionately located in downtowns and other areas served by transit, and its preservation thus reduces dependence on the automobile.

#### **Benefits to the Economy**

The construction and other activities associated with historic preservation generate considerable employment and other economic benefits. For example, the U.S. federal government offers a 20 percent historic tax credit (HTC) for the rehabilitation of historic buildings. From fiscal year (FY) 1978 (the inception of the HTC) through FY 2015, the construction associated with the HTC has cumulatively generated about 2.4 million jobs, with an associated \$100 billion in income and about \$135 billion in gross domestic product. Preservation advocates also cite that historic designation enhances property values.

#### **Benefits to the Community**

Historic preservation has many social benefits such as preserving places important to history, culture, and artistic achievement. Preservation can aid smart growth and infill by helping revitalize once-dowager downtowns and residential neighborhoods. Preservation may also address housing needs. For example, from FY 1978 through FY 2015, the federal HTC has been associated with the creation of about 530,000 housing units, of which about 150,000 were affordable to low- and moderate-income families.

However, strict landmark and preservation regulations have also evoked criticism. Some say that they slow growth, add to construction costs, and promote gentrification.

TOD and historic preservation may work well together.

## Opportunities and Tensions between TOD and Historic Preservation

Historic preservation can be an opportunity or threat to developing TODs.

### OPPORTUNITIES

TOD and historic preservation may work well together.

#### Preserves History

A restored or adaptively reused historic building can be an asset to a TOD because of the amenity it affords and its preservation of the linkage to the history of a place.

#### Draws New Tenants and Promotes Transit Use

Redeveloped historic buildings near transit may attract new users and tenants. Historic buildings lacking on-site parking may acquire new market demand and cachet as a result of TODs becoming more popular in the marketplace.

#### Sets the Area's Style

Historic sensitivity can guide development in TODs. The area's historic structures can establish an architectural framework that can guide the style and density of the TOD's new construction.

For example, the New Jersey Department of Transportation recommends a best practice transit village/TOD approach in which new construction respects existing area historic and vernacular design.

### TENSIONS

TOD and historic preservation may also conflict.

#### Restricts the Area's Style

Designers of new TOD buildings may resent having to conform to existing stylistic motifs.

#### Poses Business Challenges

Historic preservation can be difficult to implement because of financial, building code, and other challenges, so TOD developers may opt for new construction. Additionally, TODs may opt to maximize development intensity near transit for financial, environmental, and other reasons, and historic properties may not be able to accommodate these higher densities.

## CHAPTER 2: BACKGROUND AND CONTEXT

### EXAMPLE OF TENSIONS

TODs and historic preservation may cause considerable debate between developers and preservationists. One example involves the recently approved One Vanderbilt Building in Manhattan, a 1,450-foot multi-use (office, retail, and restaurant) skyscraper to be built across from Grand Central Station. While this TOD capitalizes on its superb access to transit, it replaces historic buildings associated with the former Beaux-Arts Terminal City development.

TODs and historic preservation may cause considerable debate between developers and preservationists.

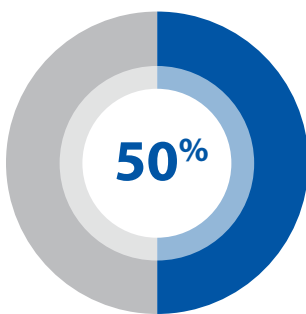
### STUDY FINDINGS ABOUT TRANSIT STATIONS

#### Prevalence of Transit Stations near Historic Areas/Buildings

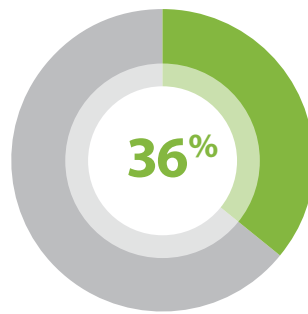
This study found a meaningful connection between TOD and historic preservation:

- 50 percent of all fixed-route transit stations (2,209 of 4,399) are within a half mile of a national historic district (designated by the National Register of Historic Places).
- 36 percent of all national historic districts (1,235 of 3,404) are within a half mile of a fixed-route transit station.
- Approximately 10 percent of individually listed national historic buildings (5,650 of 59,492 buildings) are located within a half mile of a fixed-route transit station.

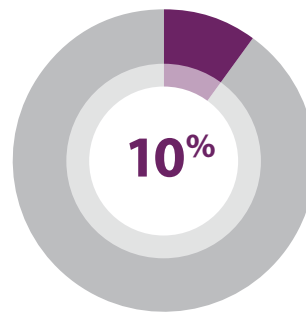
Boston leads the nation with 228 national historic districts within a half mile of a fixed-route transit station, followed by New York with 148 and Chicago with 113. Norfolk, Philadelphia, and Washington, D.C., each have 90 or more.



of fixed-route transit stations are within a half mile of a national historic district



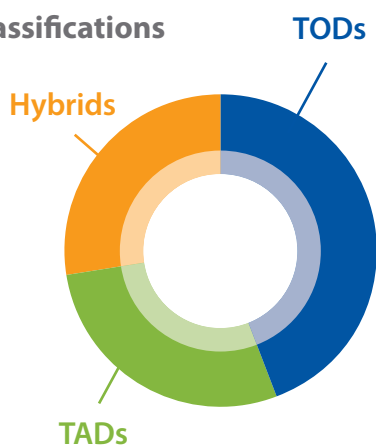
of national historic districts are within a half mile of a fixed-route transit station



of individually listed national historic buildings are located within a half mile of a fixed-route transit station



**Classifications**

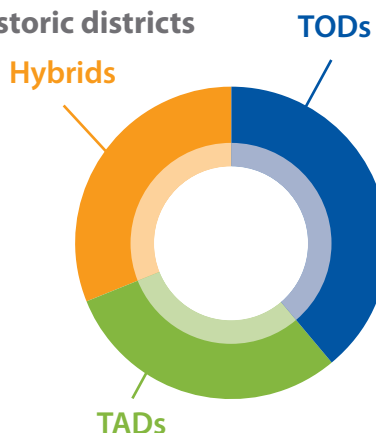


**Categorization of Transit Stations**

Researchers examined 4,399 U.S. fixed-route transit stations and classified them based on density, mixed use, and walkability. Each station area was classified as one of the following:

<p><b>Transit-oriented development</b> the densest mixed-use and walkable areas</p>	<p><b>Hybrid areas</b> between TODs and TADs</p>	<p><b>Transit-adjacent developments</b> areas that are not dense, mixed use, or walkable</p>
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**Intersections of transit stations and historic districts**



The study reported the following classifications:

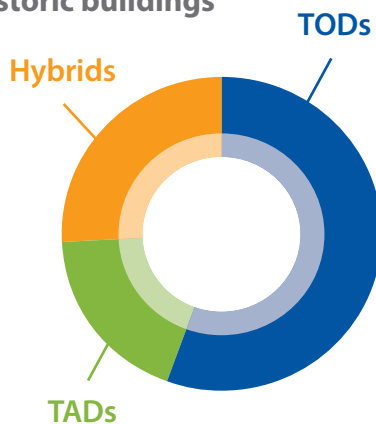
- 1,640 stations areas (37.3 percent) were TODs.
- 1,360 stations areas (30.9 percent) were hybrids.
- 1,399 stations areas (31.8 percent) were transit-adjacent developments (TADs).

**Intersections of Transit Stations and Historic Areas/Buildings**

The study found the following intersections of transit stations and national historic districts:

- TOD stations intersected with 485 national historic districts (39 percent).
- Hybrid stations intersected with 384 national historic districts (31 percent).
- TAD stations intersected with 366 national historic districts (30 percent).

**Intersections of transit stations and historic buildings**



The study found the following intersections of transit stations and historic buildings:

- TOD station areas included 55.7 percent of all historic buildings.
- Hybrid station areas included 25.7 percent of all historic buildings.
- TAD station areas included 18.7 percent of all historic buildings.

The study is the first national analysis in the United States of the spatial connection between transit/TOD and historically designated resources, and indicates a meaningful connection between TOD and historic preservation.

## CHAPTER 2: BACKGROUND AND CONTEXT

### CASE STUDIES

The study's findings support the thesis that in many regions of the United States, there is an important connection between station area development and historic preservation.

To further investigate the association between TOD and preservation, researchers conducted eight case studies in six regions (Appendix A). This guidebook gives a short summary of the case studies; the study report gives a more detailed description.

#### Washington, D.C.

**Cityline at Tenley.** A closed Sears department store by a D.C. Metro stop was adaptively reused for mixed use (a first-floor retail space and 204 residential condominiums). The \$78 million project averted demolition of an existing building and preserved it for big-box retail use. The project engaged community groups and won preservation awards but did not secure federal historic tax credits (FHTCs).

#### New Orleans, Louisiana

**Saratoga Lofts.** A vacant mid-1950s international-style office building in downtown New Orleans served by street car lines was adaptively reused. The \$42 million project turned the building into 155 residential rental units and ground-floor retail. The project preserved the building, which was deemed contributing to the local historic district, and used FHTCs, state historic tax credits (SHTCs), and other subsidies (e.g., Gulf Zone credits and a guaranteed Housing and Urban Development [HUD] mortgage).

**Iberville.** The last intact traditional public housing project in downtown New Orleans served by transit was converted to more viable mixed-income development. The \$600 million project also enhanced the surrounding neighborhood. The project involved preservation/adaptive reuse of some buildings, as well as selective demolition and new construction. The project used the Choice Neighborhoods Initiative, FHTCs, SHTCs, and other subsidies.

#### Memphis, Tennessee

**Central Station.** The closed Central Station was rehabilitated/adaptively reused to multi-use (63 residential apartments, retail spaces, and offices). The \$23 million project in the South Main Historic District preserved the transit station and used FHTCs, federal transit grants, and other subsidies. The project also incorporated creative regulations (e.g., reduced parking requirements) and catalyzed development in the area.



Old Sears location



Saratoga exterior



Central Station

## CHAPTER 2: BACKGROUND AND CONTEXT



Mockingbird Station



Southside on Lamar



Gateway transit project



Gates Rubber Factory

### Dallas, Texas

**Mockingbird Station.** This project involved a closed Western Electric Company warehouse site (10 acres) near the strategically located Mockingbird Station of the Dallas Area Rapid Transit (DART) system (the largest light-rail network in the United States). The site was repurposed (rehabilitation and new construction) in a \$100 million mixed-use project (apartments, offices, and retail and theater space). Although initially deemed risky as the first TOD in Texas, the creative project was very successful. Over 80 percent of the commercial and living space was leased at the development's opening in 2001. The project helped spur other TODs along the DART system and elsewhere in Texas.

**South Side on Lamar.** A former large Sears distribution center (17 acres and 1.4 million square feet) by a Dallas light-rail station was adaptively reused to multi-use (455 residential lofts and office/retail/arts space). The \$75 million project preserved original buildings and used FHTCs, low-income housing tax credits, property tax abatement, a low-interest HUD loan, and other subsidies. The developer used multiple strategies to enhance the project area (e.g., offering better security and fostering new retail and entertainment uses).

### New Brunswick, New Jersey

**Gateway Transit Village.** The Gateway Transit Village was a high-rise, large (624,000 square feet), multi-use (residential, retail, and office space) project. The \$150 million new construction TOD was built close to a major commuter (NJ Transit) and long-distance (Amtrak) rail station in downtown New Brunswick. While TOD did result in the demolition of some 19th century historic buildings, the project incorporated some historic context sensitivity and building orientation. The project involved a public-private partnership that used multiple subsidies (e.g., federal new markets tax credits and New Jersey transit hub tax credits).

### Denver, Colorado

**Gates Rubber Factory.** Various redevelopment plans (demolition/new construction or rehabilitation/adaptive reuse) were considered for a large (25 square blocks) closed industrial facility located near transit. A rehabilitation/adaptive reuse plan considered using FHTCs and other subsidies, such as tax increment financing (TIF). However, the project was not successful in part because TIF works best with new construction big-box retail. The project also suffered several complexities and difficult negotiations. For example, the Gates manufacturing operations had polluted the ground soils under the factory building. Remediating the soils with the building in place would have been extremely difficult and complex, and the owner decided the easiest route to a successful sale required demolition of the plant. Preservation activists were unsuccessful in efforts to stop the demolition.



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# Chapter 3

# TOD Tools



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## CHAPTER 3: TOD TOOLS

### Overview

Many studies have been conducted about tools to promote TOD. TOD is complex and often requires collaboration between a number of stakeholder groups. This section provides tools for the different stakeholder groups and their specific goals.

### Stakeholders

Collaboration among stakeholders for TOD can include:

- Private and nonprofit developers.
- Local neighborhood organizations.
- Local government.
- Municipalities.
- Transit agencies.
- Metropolitan planning organizations (MPOs).
- State agencies.

Different stakeholder groups view TOD based on achieving different benefits.

For example:

- Developers are interested in maximizing profit and reducing development risk.
- Local government is often most interested in economic development.
- Transit agencies seek higher ridership.
- MPOs and state agencies are often most interested in improving regional transportation systems and improving air quality.

Because different stakeholders may have different goals for TOD, tools to promote TOD can also vary depending on the goals they are targeted to.

(Chapter 7 provides more details about stakeholders.)

**TOD is complex and often requires collaboration between a number of stakeholder groups.**

## Tools

This section focuses on tools created by the following national organizations:

- Reconnecting America’s Center for Transit-Oriented Development.
- The Transportation Research Board.
- Smart Growth America.

### RECONNECTING AMERICA’S CENTER FOR TRANSIT-ORIENTED DEVELOPMENT

Reconnecting America’s Center for Transit-Oriented Development created a suite of tools sponsored by the Federal Transit Administration that address many aspects of TOD planning and implementation. These tools are available at <http://reconnectingamerica.org/what-we-do/what-is-tod/>:

- *TOD 101: Why Transit-Oriented Development and Why Now?*—a 24-page, easy-to-read book that explains what TOD is and how it benefits communities.
- *TOD 201: Mixed-Income Housing near Transit: Increasing Affordability with Location Efficiency*—a 28-page book that discusses providing for a mix of incomes in walkable, mixed-use neighborhoods near transit.
- *TOD 202: Station-Area Planning: How to Make Great Transit-Oriented Places*—a guidebook on best practices that aims to simplify decisions in planning for TOD projects and station areas.
- *TOD 202: Transit and Employment: Increasing Transit’s Share of the Commute Trip*—a guidebook on best practices that shows how communities can make the land use patterns around employment centers transit friendly.
- *TOD 203: Transit Corridors and TOD: Connecting the Dots*—a guidebook on best practices that shows how corridor planning can facilitate successful transportation outcomes and TOD.
- *TOD 204: Planning for TOD at the Regional Scale: The Big Picture*—a guidebook on best practices that focuses on regional planning for TOD, including the general framework, strategies, and benefits.
- *TOD 205: Families and Transit-Oriented Development: Creating Complete Communities for All*—a guidebook on best practices that shows how planning for TOD that serves families can create truly complete communities.
- *Realizing the Potential: Expanding Housing Opportunities near Transit*—a 202-page report that discusses how location affects household costs.
- *2010 Inventory TOD Programs: A National Review of State, Regional and Local Programs That Fund Transit-Oriented Development Plans and Projects*—a 25-page report that inventories ongoing, institutionalized programs that fund TOD.

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## CHAPTER 3: TOD TOOLS

### TRANSPORTATION RESEARCH BOARD

The Transportation Research Board has published a number of reports that serve as best practice guides for TOD, including:

- *The Zoning and Real Estate Implications of Transit-Oriented Development* (<http://www.trb.org/main/blurbs/153416.aspx>)—provides information on legal and other TOD issues.
- *Transit-Oriented Development in the United States: Experiences, Challenges, and Prospects* (<http://www.trb.org/Publications/Blurbs/154989.aspx> and <http://apps.trb.org/cmsfeed/TRBNetProjectDisplay.asp?ProjectID=1156>)—describes the state of the practice and the benefits of TOD and joint development.
- *Transit-Oriented Development and Joint Development in the United States: A Literature Review* (<http://www.trb.org/main/blurbs/161489.aspx>)—describes the institutional issues related to TOD and transit joint development.
- *Transit-Oriented Development: Developing a Strategy to Measure Success* (<http://www.trb.org/Publications/Blurbs/155845.aspx>)—identifies 10 indicators that can be used to systematically monitor and measure the impacts of TOD.
- *Effects of TOD on Housing, Parking, and Travel* (<http://www.trb.org/Main/Public/Blurbs/160307.aspx>)—explores the demographics of TOD residents and employers, and their motives for locating in TODs.
- *Traveler Response to Transportation System Changes Handbook, Third Edition, “Chapter 17, Transit-Oriented Development”* (<http://www.trb.org/main/blurbs/159049.aspx>)—discusses TOD and its transportation impacts for regional context, land use mix, and primary transit mode.
- *Transit-Oriented and Joint Development: Case Studies and Legal Issues* (<http://www.trb.org/main/blurbs/166097.aspx>)—discusses case studies, what made the project succeed, and legal issues pertaining to TOD.



This study examined eight case studies and the land use and design tools used to promote TOD.

## SMART GROWTH AMERICA'S TOD TECHNICAL ASSISTANCE INITIATIVE

The TOD Technical Assistance Initiative is a Federal Transit Administration project that provides technical assistance to “advance TOD, improve access to public transportation, and build new economic opportunities and pathways to employment for local communities with a focus on supporting economically distressed communities.”<sup>1</sup>

Smart Growth America has created a portal for national and technical assistance for TOD at <https://todresources.org>. The website is a repository of many TOD resources that can be filtered by resource type, author organization, audience, project type, and category.

## Case Studies

This study examined eight case studies and the land use and design tools used to promote TOD. Appendix B provides the major land use/design findings for the case studies.

These findings show that strategies to promote TOD include:

- The incorporation of local artwork.
- Changes in zoning.
- Methods to promote transit orientation in building design.
- Improved walkability.
- The cleanup of brownfields.
- Reduced parking requirements.
- New construction design that is sensitive to historic buildings.

<sup>1</sup> Smart Growth America. About. <https://todresources.org/about/>.



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Chapter 4

# Historic Designation and Regulation



## CHAPTER 4: HISTORIC DESIGNATION AND REGULATION

### Overview

A fundamental action for historic preservation is to designate historic properties as individual historic landmarks and historic areas as historic districts.

Historic properties and areas can have federal, state, and local historic designation.

### National Designation

At the national level, a fundamental statute is the 1966 National Historic Preservation Act (NHPA), which authorized the National Register of Historic Places (NRHP). The NRHP is made up of “districts, sites, buildings, structures and objects significant in American history, architecture, archaeology, engineering, and culture.”<sup>2</sup>

#### CRITERIA FOR NRHP INCLUSION

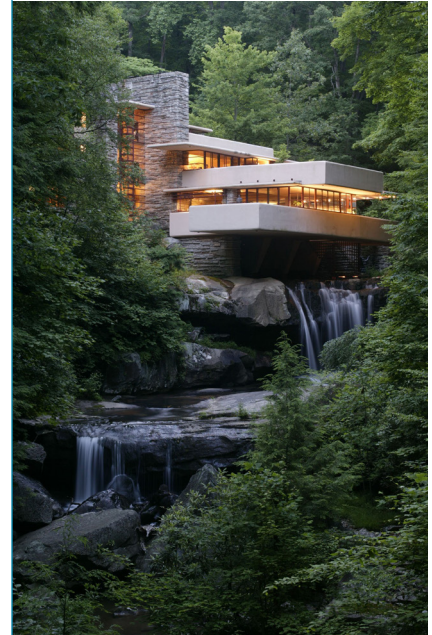
These items must meet one of the following criteria to be included in the NRHP:

- A. “That are associated with events that have made a significant contribution to the broad patterns of our history; or
- B. “That are associated with the lives of significant persons in our past; or
- C. “That embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or
- D. “That have yielded or may be likely to yield information important in history or prehistory.”<sup>3</sup>

Inclusion in the NRHP typically requires that the resource be at least 50 years old. However, there can be exceptions. For example, Frank Lloyd Wright’s famous Fallingwater House in the Mill Run section of Stewart Township, Pennsylvania, received NRHP designation before the half-century mark.

<sup>2</sup> National Historic Preservation Act of 1966, Public Law 89-665; U.S.C.470 et seq. Title I, Section 101(a)1 A.

<sup>3</sup> National Park Service. National Register Bulletin: How to Apply the National Register Criteria for Evaluation. [https://www.nps.gov/nr/publications/bulletins/nrb15/nrb15\\_2.htm](https://www.nps.gov/nr/publications/bulletins/nrb15/nrb15_2.htm).



**Inclusion in the NRHP typically requires that the resource be at least 50 years old. However, there can be exceptions. For example, Frank Lloyd Wright’s famous Fallingwater House received NRHP designation before the half-century mark.**

## CHAPTER 4: HISTORIC DESIGNATION AND REGULATION

### ADMINISTRATIVE PROCESS

The administrative process for inclusion in the NRHP typically involves the National Park Service and state historic preservation offices. The state historic preservation office typically reviews the forms and documentation, and then the National Park Service conducts a similar review.

### CONSEQUENCES OF DESIGNATION

NRHP designation can have certain consequences.

#### NRHP Regulations May Affect Projects

The 1966 NHPA created a Section 106 review process that considers the impact of federal “undertakings” (direct federal actions or federally funded/regulated activities) on NRHP resources. Transportation projects affecting NRHP resources are reviewed under a Section 4(f) process, and the National Environmental Policy Act requires that major federal actions significantly affecting the environment (including historic resources) be reviewed in an environmental impact statement. Therefore, NRHP designation in the area may affect or limit transportation projects.

#### Projects May Receive Federal Aid

Income-producing NRHP buildings may be eligible for generous FHTCs and other federal aids, such as NHPA’s Historic Preservation Fund.

#### Private Property Owner Actions Are Not Regulated

Listing on the NRHP does not regulate private property owner actions, such as decisions to alter or demolish the property.

#### Summary

Table 2 gives a summary of the consequences of NRHP listing.

**Table 2. Consequences of Listing on the NRHP.**

Does	Does Not
Identify the resource as historically significant	Automatically lead to state/local landmarking
Provide for review (e.g., Section 106 review) of governmental undertakings	Stop adverse government action (after requisite review is completed)
Provide eligibility for HTC	Qualify for HTCs if not income producing (and other limitations)
Provide eligibility for federal grants in aid	Restrict private use of property (e.g., alteration or demolition)

Listing on the NRHP does not regulate private property owner actions, such as decisions to alter or demolish the property.

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## CHAPTER 4: HISTORIC DESIGNATION AND REGULATION

### State Designation

Many states have a parallel state register of historic places (SRHP). The state historic preservation offices typically have responsibility for inclusion in the SRHP.

#### CRITERIA FOR STATE DESIGNATION

SRHP designation may be guided by criteria similar to that of the NRHP.

#### CONSEQUENCES OF DESIGNATION

The consequences may also be similar to those of NRHP designation. For example, there may be a state-level Section 106 process (i.e., review of state actions affecting SRHP resources), and states may offer a state tax credit for the rehabilitation of SRHP buildings.

As with NRHP designation, SRHP designation typically does not regulate private property owner decisions about alteration or demolition.

### Local Designation

Local historic commissions or other local entities, such as environmental or planning boards, may determine local historic designation of individual landmarks and districts according to state enabling legislation and regulation.

#### CRITERIA FOR LOCAL DESIGNATION

Local historic designation may mimic the criteria applied by the NRHP or SRHP, or may be far broader.

For example, an individual landmark in New York City must be 30 years old (unlike the 50-year minimum for the NRHP) and have “a special character or special historical or aesthetic interest or value as part of the development, heritage, or cultural characteristics of the City, state, or nation.”<sup>4</sup>

#### CONSEQUENCES OF DESIGNATION

The consequences of local designation vary greatly. Local agencies may or may

Local historic designation may mimic the criteria applied by the NRHP or SRHP, or may be far broader.

<sup>4</sup> New York City Landmarks Preservation Commission. Landmark Types and Criteria. <http://www.nyc.gov/html/lpc/html/propose/criteria.shtml>.

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## CHAPTER 4: HISTORIC DESIGNATION AND REGULATION

not use:

- A local Section 106–type review.
- Regulation of private actions (e.g., alteration or demolition) concerning locally designated buildings.
- Local financial aids.

### Restrictions

Where there is regulation, the review of private actions can range from minimal to quite strict.

For example, in New York City, almost any exterior change to an individual landmark or property within a historic district entails oversight by the city’s Landmarks Preservation Commission (LPC), and the changes can typically be made only if the LPC issues a Certificate of Appropriateness.

Other major U.S. cities and numerous smaller communities have a similar Certificate of Appropriateness review, such as Boston, Charleston, New Orleans, and San Francisco.

### Benefits

While local historic designation may evoke LPC scrutiny, it can have many compensating benefits such as:

Enhanced  
property values

Guarding  
against  
unwanted  
change

Financial  
incentives  
such as historic  
rehabilitation  
tax credits and  
property tax  
reduction





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Chapter 5

# Historic Preservation Financial Aids



## CHAPTER 5: HISTORIC PRESERVATION FINANCIAL AIDS

### Overview

This chapter summarizes numerous financial sources to rehabilitate and restore historic properties. These include:

- FHTCs.
- SHTCs.
- New markets tax credits.
- Property tax incentives.
- Federal transportation assistance that can be used for historic preservation.

Table 3 gives an overview of the tax credits.

**Table 3. Tax Credits and Historic Preservation.**

Program	Year Started	Credit Percent	Period (When Tax Credit Is Taken)
Historic Tax Credit			
Federal	1981	20%	1 year
State	1990s and later	5–50%	1 year
Commercial Rehabilitation Credit			
Federal	1981	10%	1 year
Low-Income Housing Tax Credit			
Federal	1986	Up to 90%	10 years
New Markets Tax Credit			
Federal	2000	39%	7 years

Note: Commercial rehabilitation credit is for non-historic properties. Low-income housing tax credit and new markets tax credit are not specifically targeted to historic properties but may be applied (sometimes in conjunction with the HTC) to historic properties.

### Federal Historic Tax Credit

#### LEGAL BASIS

The FHTC was first introduced in the late 1970s. In 1981, the Economic Recovery Tax Act increased the credit to 25 percent. In 1986, that year's Tax Reform Act revised the credit to a lower 20 percent, where it remains to this day.

For example, a \$1 million rehabilitation of a historic building would qualify for a \$200,000 credit (i.e., federal income taxes would be reduced by \$200,000).

The FHTC is applied to income-producing buildings, both residential and non-residential.

#### APPLICATION PROCESS

The FHTC has a multi-step application process:

**STEP 1** is the evaluation of the historic significance of the property.

**STEP 2** is the description of the rehabilitation work.

**STEP 3** is the request of certification of completed work.

#### QUALIFICATIONS

To qualify for the 20 percent FHTC, the rehabilitated property must be a "certified historic structure." That is:

- The building must be individually listed on the NRHP or located in and contributing to the historic significance of a registered historic district. (A registered historic district includes both those districts listed in the NRHP and any state or local historic districts in which the district and enabling statute are certified by the Secretary of the Interior.)
- The rehabilitation has to be substantial (must exceed the greater of the accounting-determined adjusted basis<sup>5</sup> of the building and its structural components or \$5,000).
- The rehabilitation has to be certified. To be certified, the rehabilitation must be approved by the National Park Service as being consistent with the historic character of the property and, where applicable, the district in which it is located. The Secretary of the Interior's Standards for Rehabilitation serves as a guide for certification.

Appendix C provides a summary of the qualifications for the investment tax credit.

<sup>5</sup> The adjusted basis is the dollar value of the property improvement purchase price less depreciation plus any improvements.

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## CHAPTER 5: HISTORIC PRESERVATION FINANCIAL AIDS

### USE OF THE FHTC

The FHTC has been used extensively, though there have been fluctuations in activity over time. From FY 1978 through FY 2015, FHTC rehabilitation activity cumulatively totaled about \$121 billion (inflation-adjusted 2015 dollars) at a federal cost of an estimated \$23 billion, proving it one of the most effective tools for historic rehabilitation.

### BENEFITS OF THE FHTC

#### Economic

The FHTC has powerful economic benefits, increasing employment, income, and production in nearly all sectors of the nation's economy. From FY 1978 to FY 2015, \$121 billion in FHTC-related rehabilitation investment created 2,361,000 jobs, \$135 billion in gross domestic product, and \$99 billion in income.

#### Subsidy for Developers

The FHTC is a powerful subsidy for developers. For example, the following projects were possible because of the FHTC:

- A Newark, New Jersey, adaptive reuse project (an office building converted to a hotel) with a total cost of \$47 million with \$7 million raised from the FHTC.
- A \$20 million renovation of the famous Apollo Theater in Harlem, New York City.
- The adaptive reuse of a former American Can Company complex in New Orleans into apartments and retail space.
- The reuse of a 1929 Procter and Gamble soup factory into a 400,000-square-foot corporate office campus along Baltimore's inner harbor.

#### Housing

Often used in combination with programs such as the low-income housing tax credit, the FHTC has produced powerful and very beneficial housing results. From FY 1978 to FY 2015, the FHTC has been involved in the creation of 527,866 housing units. Of that total:

- 264,602 (50.1 percent) were existing housing units that were rehabilitated.
- 263,264 (49.9 percent) were newly creating housing units (e.g., housing resulting from the adaptive reuse of commercial space).
- 146,074 (27.7 percent) were affordable to low- and/or moderate-income families.

## CHAPTER 5: HISTORIC PRESERVATION FINANCIAL AIDS

The FHTC has also been used in mixed-use projects (e.g., housing and nonresidential) as well as solely nonresidential projects (e.g., hotel or office).

### **Piggybacking**

One way developers use the FHTC to create affordable units for low- and moderate-income households is by piggybacking the FHTC's benefits with other subsidies. Piggybacked financing packages can include many sources, including reduced property taxes.

## **Low-Income Housing Tax Credit**

One additional aid particularly important to produce affordable historic housing units is the low-income housing tax credit (LIHTC). Created by the Tax Reform Act of 1986, the LIHTC gives states the authority to issue tax credits to owners or developers who construct, rehabilitate, and acquire rental housing for lower-income households. Since its adoption, the LIHTC has been one of the most significant programs for the production of affordable housing in the United States.

The LIHTC gives states the authority to issue tax credits to owners or developers who construct, rehabilitate, and acquire rental housing for lower-income households.

### **AMOUNT OF TAX CREDIT**

The tax credit is equal to a maximum of 9 percent annually over a 10-year period, for a total of 90 percent. The dollar amount of the tax credits available in any given project is equal to the tax-credit rate (up to 9 percent annually) multiplied by the dollar amount of the project's qualified basis (the amount eligible for subsidy).

### **QUALIFICATIONS**

To receive the 9 percent credit, the low-income units must be either new or substantially rehabilitated, and the property could not otherwise be subsidized by the federal government.

### **LEVERAGING THE FHTC AND LIHTC**

Leveraging the FHTC and LIHTC can provide substantial benefit. For example, the Martinsville Novelty Factory, built in 1929 in Martinsville, Virginia, closed. A developer acquired the factory and adaptively converted it to affordable housing.

The total project cost was \$9.5 million—a \$0.4 million acquisition, \$7.9 million construction/soft costs, and \$1.2 million other costs. The \$9.5 million project expense was largely met through \$4.9 million in credit-related equity:

- \$2.0 million in tax credit equity from the LIHTC.
- \$1.3 million in FHTC equity.
- \$1.6 million in SHTCs.



## CHAPTER 5: HISTORIC PRESERVATION FINANCIAL AIDS

### QUALIFICATIONS

#### Types of Projects Receiving SHTCs

The applicability of the SHTC varies tremendously. The SHTC may be available to:

- Income-producing properties (as is the FHTC).
- Homeowner occupants (going beyond the current FHTC).
- Other targeted sites, such as farm buildings, downtown development districts, and archaeological sites.

#### Investment Requirements

Investment requirements for SHTCs vary. States may require one of the following:

- Their individually determined minimum dollar investment.
- The FHTC minimum investment (detailed earlier).
- No minimum dollar investment.

While the FHTC has no cap or maximum once its requirements are met, the less wealthy states often cap their SHTC by individual project or total cumulative project outlay.

### EXAMPLE

Missouri has one of the most extensive SHTCs in the nation (25 percent state credit for both income-producing and owner-occupied historic buildings). For example, the Gateway (built in 1917) and Statler (built in 1922) were iconic hotels in the St. Louis Centre business district. But as the city's central business district declined, so did the Gateway and Statler. Both closed in the 1980s. About two decades later, both were rehabilitated and historically restored at a total (two-hotel) project cost of about \$200 million. The \$200 million outlay was subsidized by both the FHTC (\$34 million) and a Missouri SHTC (\$12 million). Other aids were used as well, such as property tax increment financing.



Gateway/Statler Hotel  
in St. Louis, Missouri

By publichall - Own work, CC BY-SA 3.0, <https://commons.wikimedia.org/w/index.php?curid=12950448>

### New Markets Tax Credit

#### AMOUNT OF TAX CREDIT

In 2000, the Community Development Financial Institution Fund within the U.S. Department of the Treasury created the new markets tax credit (NMTC). The NMTC grants a 39 percent tax credit over 7 years.

The 39 percent is scheduled as follows:

- A 5 percent credit is allowed in each of the first 3 years.
- A 6 percent credit is extended in each of the final 4 years.

From 2003 to 2015, about \$44 billion cumulatively has been allocated to the NMTC.

#### INVESTMENT REQUIREMENTS

The tax credit is available to entities making investments in community development entities (CDEs) and thus helping to capitalize them.

A CDE provides loans, investments, or financial counseling in low-income communities, census tracts with a minimum 20 percent poverty level, or places where the median income is at or below 80 percent of the area median family income.

The CDEs also make qualified low-income community investments. These investments can take various forms, including:

- Investing or lending to a qualified active low-income community business—a business located in a low-income community with a substantial connection to that location.
- Financially aiding other CDEs (through investing, lending, or purchasing loans).
- Providing financial counseling to low-income communities.

#### APPLICABILITY TO HISTORIC PRESERVATION

While the NMTC is not directed to historic preservation per se, it has been applied in this context, provided the standard guidelines are met. The following statistics show its use:

- The National Trust Community Investment Corporation, a CDE formed by the National Trust for Historic Preservation, said that about 38 percent of NRHP districts, 58 percent of the buildings within these districts, and 33 percent of all staffed Main Street programs from the National Trust are in NMTC-eligible census tracts.
- When NMTC investors were asked what other government incentives they used besides the 39 percent credit, almost 30 percent cited use of the FHTC.

The new markets tax credit is available to entities making investments in community development entities and thus helping to capitalize them.



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## CHAPTER 5: HISTORIC PRESERVATION FINANCIAL AIDS

### EXAMPLES

#### Mississippi

The historic rehabilitation of the iconic King Edward and Standard Life buildings in Jackson, Mississippi, was a combined approximate \$123 million project. It raised:

- \$26 million in equity from the FHTC.
- \$18 million in equity from the SHTC (and other state sources).
- \$29 million in equity from the federal NMTC.
- About \$3 million from TIF.

#### Pennsylvania

The \$39 million adaptive reuse of the Quaker City Dye Works in Philadelphia for affordable housing, retail, and office space for non-profit groups raised:

- \$10 million in equity from the NMTC.
- \$6 million in equity from the FHTC.

#### New Orleans

The \$50 million restoration of the historic Saenger Theatre in New Orleans raised:

- \$15 million from the SHTC.
- \$12 million from the NMTC.
- \$10 million from the FHTC.

## Property Tax Incentives

### LOWER PROPERTY TAXES

Many states have enabled local governments to offer property tax incentives to encourage historic preservation. For example, a historic building undergoing rehabilitation may have its existing (pre-rehabilitation) taxes reduced or frozen for some time despite the enhancement to its value because of the rehabilitation investment.

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## CHAPTER 5: HISTORIC PRESERVATION FINANCIAL AIDS

### TAX INCREMENT FINANCING

TIF is a mechanism to finance new development or redevelopment by capturing the property appreciation and associated higher property tax payments ensuing from the development or redevelopment.

#### Process

The TIF mechanism works as follows:

1. The area where the development/redevelopment is to occur is designated as a TIF district.

2. Property values for standard property taxation purposes in the TIF district are then frozen for a given period of time (e.g., 10 to 20 years).

3. As property values from the frozen levels increase over time, the appreciation (or increment) is applied for development or redevelopment purposes.

#### Amount Captured

The amount captured is equal to the increment in property value multiplied by the property tax rate (the full rate or a portion, such as the municipal but not the school property tax rate).

For example, a community with an effective property tax rate of 2 percent creates a TIF. If the TIF district appreciated \$10 million in value from the frozen base, then \$200,000 ( $\$10 \text{ million} \times 2 \text{ percent}$ ) in preservation assistance is made available annually for the TIF period.

## CHAPTER 5: HISTORIC PRESERVATION FINANCIAL AIDS



King Edward



Standard Life Building

### Qualifications

The TIF mechanism typically requires state enabling authority before it can be used. Further, the type of area eligible for a TIF may be limited to:

- Redevelopment.
- Blight (a deteriorated location).
- Other financially challenged locations.

Relatedly, a TIF may require a report showing that without this finance mechanism the proposed project could not proceed (the “but for” requirement). In practice, however, blight and redevelopment are themselves broadly applied, as is the satisfaction of a “but for” requirement.

### Examples

Today, almost all states authorize TIFs, and this mechanism can be applied to historic preservation.

**Missouri.** The successful renovation of the historic Gateway/Statler Hotel in St. Louis (described previously)—a \$200 million project—used \$34 million secured by TIF. This TIF resource almost matched the combined equity obtained from the FHTC (\$26 million) and SHTC (\$12 million).

**Mississippi.** The King Edward and Standard Life Building historic adaptive reuse projects (described previously) in Jackson, Mississippi, similarly used TIF in addition to NMTC, FHTC, and SHTC.

**Illinois.** The \$65 million restoration of a historic theater in the Chicago loop area tapped \$17 million in TIF and other aids.

# Federal Transportation Assistance Applicable to Historic Preservation

## RECENT TRANSPORTATION LEGISLATION

The last few decades have seen enactment of significant transportation programs:

- The 1991 Intermodal Service Transportation Act (ISTEA).
- The 1998 Transportation Equity Act for the 21st Century (TEA-21).
- The 2005 Safe, Accountable, Flexible, and Efficient Transportation Equity Act—A Legacy for Users (SAFETEA-LU).
- The 2013 Moving Ahead for Progress in the 21st Century (MAP-21).

These acts were transportation funding behemoths:

- ISTEA funded about \$155 billion.
- TEA-21 funded about \$220 billion.
- SAFETEA-LU funded about \$280 billion.
- MAP-21 funded about \$105 billion (just for 2013–2014).

## TRANSPORTATION ENHANCEMENT ACTIVITIES

Transportation Enhancement Activities (TEAs) are components of these programs and are both directly and indirectly supportive of preservation (termed transportation alternatives in MAP-21). TEA resources are very significant:

- ISTEA allocated \$2.6 billion.
- TEA-21 allocated \$3.8 billion.
- SAFTEA-LU allocated \$4.2 billion.

Therefore, monies going from this pool to preservation are large sums.

## CHAPTER 5: HISTORIC PRESERVATION FINANCIAL AIDS

### QUALIFICATIONS

To receive TEA funding, a project must:

- Be related to surface transportation.
- Include an eligible enhancement activity.

ISTEA, TEA-21, and SAFTEA-LU recognized 12 eligible activities. MAP-21 recognizes a slightly smaller number but many similar transportation alternatives. Of the eligible activities/alternatives, numerous investments are directly supportive of historic preservation:

- Historic preservation.
- Rehabilitation of historic transportation infrastructure.
- Archaeological planning.

Other eligible activities are indirectly helpful to preservation of historic or older areas:

- Enhanced pedestrian and bicycle facilities.
- Scenic turnouts and overlooks.
- Stormwater mitigation.

### EXAMPLES

Numerous historic preservation projects connected to transportation have benefitted from this program. For example:

- The \$17.5 million renovation of the San Francisco Ferry Terminal secured \$2 million in TEAs.
- The \$6 million rehabilitation of the St. James Hotel in Alabama secured \$1.2 million in TEAs.



San Francisco Ferry Terminal

By JaGa - Own work, GFDL, <https://commons.wikimedia.org/w/index.php?curid=4120354>



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# Chapter 6

# Transfer of Development Rights



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## CHAPTER 6: TRANSFER OF DEVELOPMENT RIGHTS

### Overview

Transfer of development rights is a strategy that allows increased development rights in places where a community wants more growth (e.g., locations served by transit and with existing utility infrastructure) in return for reduced development in places deemed less suitable for development (e.g., environmentally fragile or historically important locations). TDR deserves consideration for both TOD and historic preservation purposes.

### Uses

#### IMPROVED TRANSIT ACCESS

For example, a 2011 California planning guide<sup>6</sup> recommends that local government “provide for TDR where development rights could be transferred from areas without transit access to areas within one-quarter to one-half mile of major stops and stations,” thereby fostering TOD. TDR can help increase TOD’s development density and maximize the development connection to transit.

#### PRESERVING HISTORIC PROPERTY

TOD can pressure the demolition and more intense redevelopment of historic properties located near transit since these historic buildings may be underused relative to their underlying zoning.

One solution to relieve such pressure is using TDR. The TDR from the historic property can be used for a non-historic site near transit—TOD can be built on the non-historic site. This serves multiple interests:

- The historic site, with its development rights transferred, can be equitably and practically preserved.
- A TOD can be built at maximum density since it secured enhanced development rights from the TDR mechanism. (The community may not allow the highest possible density without the TDR.)

TOD can pressure the demolition and more intense redevelopment of historic properties located near transit since these historic buildings may be underused relative to their underlying zoning.

<sup>6</sup> State of California. *Energy Aware Planning Guide*. [http://www.energy.ca.gov/energy\\_aware\\_guide/](http://www.energy.ca.gov/energy_aware_guide/).



### Other Resources

TDR is a complex strategy and is the subject of lengthy articles and monographs. The following resources give more information on TDR.

#### TDR HANDBOOK

One recent book-length publication is *The TDR Handbook: Designing and Implementing Transfer of Development Rights Programs*.<sup>7</sup>

#### SEIFEL-ELLIOT REPORT

In 2013, Seifel Consulting, Inc., and C.H. Elliot and Associates studied TDR and historic preservation for the City of San Francisco.<sup>8</sup> This study examined the application of historic preservation in San Francisco (starting in the mid-1980s) and other major cities.

#### San Francisco

Concerning TDR in San Francisco, the Seifel-Elliot report found:

- San Francisco has cumulatively “certified 5.3 million [square feet] TDR originating from 112 parcels.
- “Of the 5.3 million certified TDR, over half have been used in the development of 32 buildings on receiving sites, including 26 newly constructed buildings.
- “Since 2000, TDR pricing has varied from a low of \$5.51 to a high of \$37.50 [per square foot], with most transactions in the range of \$18 to \$25.
- “Since 2001, the annual amount of unused certified TDR in existence has been 2 million square feet or more [of the total 5.3 million certified].
- “TDR usage fluctuates with [real estate] market cycles.
- “Property owners/developers typically have had to acquire TDR through multiple transactions.”

#### Other Cities

The Seifel-Eliot study also examined TDR in other major American cities, including Los Angeles, Oakland, New York City, Portland, and Seattle. It found both similarities to and differences from the TDR application in San Francisco.

For example, while San Francisco’s TDR focused on historic preservation, the Los Angeles, New York, Portland, and Seattle TDR programs had broader applications (e.g., affordable housing and open spaces).

<sup>7</sup> Nelson, Arthur, C., Rick Pruetz, and Doug Woodruff. *The TDR Handbook: Designing and Implementing Transfer of Development Rights Programs*. Island Press, 2011. <http://www.islandpress.org/book/the-tdr-handbook>.

<sup>8</sup> Seifel Consulting, Inc., and C.H. Elliott and Associates. *TDR Study: San Francisco’s Transfer of Development Rights Program*. June 2013. [http://onesanfrancisco.org/wp-content/uploads/R\\_TDR\\_Market\\_Study\\_062113.pdf](http://onesanfrancisco.org/wp-content/uploads/R_TDR_Market_Study_062113.pdf).



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Chapter 7

Role of  
Stakeholders and  
Public-Private  
Partnerships



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## CHAPTER 7: ROLE OF STAKEHOLDERS AND PUBLIC-PRIVATE PARTNERSHIPS

### Overview

The role of stakeholders is important to building TODs. Some regions have created intergovernmental working groups or committees to bring together stakeholders from local government, MPOs, transit agencies, and state agencies to promote TOD planning and implementation. Many municipalities have also created partnerships between agencies, private and nonprofit developers, and neighborhood groups to consider TODs.

Similarly, the convergence of different stakeholder groups is also important to the renovation of historic buildings and districts. Public-private partnerships have been created to promote TOD and renovate historic train stations.

### Stakeholder Groups

Any effort to promote the renovation of historic properties in TODs should consider the inclusion of the following groups:

- Major institutional land-owning entities.
- Major private land owners.
- Nonprofit and private-sector developers.
- Local merchants' associations or downtown development associations.
- Neighborhood associations.
- Historic district board or committee.
- Local advocacy groups that focus on promoting walking and transit.
- Local advocacy groups that focus on historic preservation.
- Local advocacy groups that focus on affordable housing.
- Transit agencies.
- Local planning departments.
- Redevelopment agencies.
- MPOs.
- State departments of transportation.
- State historic preservation agencies.
- Local planning, development, or architecture professional associations (e.g., American Planning Association, Urban Land Institute, and American Institute of Architects).
- Local or regional experts from the university sector.
- Any other interested parties.

Some regions have created intergovernmental working groups or committees to bring together stakeholders from local government, MPOs, transit agencies, and state agencies to promote TOD planning and implementation.

### Public-Private Partnerships

Public-private partnerships can take many forms, but often some level of partnership between the public sector and private development community is important for preserving historic buildings in TOD locations. The case studies discussed in Chapter 2 provide more details about different types of partnerships that have been used.

Any public-private partnership should consider the following elements for historic preservation in TODs:

- The inability of public-sector developers to take advantage of tax credits associated with historic properties because these credits are optimally used by the private sector.
- Use of financing tools that allow for long-term bonding of property or sales taxes to help pay for public improvements.
- Use of transportation infrastructure funding to build necessary infrastructure to promote non-automobile travel.
- Long-term management of public space to promote civic activities such as farmers markets and other public events.
- The sharing of long-term maintenance costs for upkeep of historic buildings between the public and private sectors, especially for public-sector buildings that include commerce such as retail, food/entertainment, office, and hotel.
- The use of public funding for affordable housing to preserve historic properties in TOD locations.



APPENDIX A: TOD AND HISTORIC PRESERVATION  
CASE STUDIES OVERVIEW

<b>Case Study</b>	<b>Location</b>	<b>Land Uses</b>	<b>Preservation Realized</b>
<b>Cityline at Tenley</b>	Washington, DC	Residential, retail/commercial	Yes
<b>Saratoga Lofts</b>	New Orleans, LA	Residential, retail/commercial	Yes
<b>Iberville</b>	New Orleans, LA	Residential, retail/commercial	Yes
<b>Central Station</b>	Memphis, TN	Residential, retail/commercial, office	Yes
<b>Mockingbird Station</b>	Dallas, TX	Residential, retail/commercial, office, hotel (future phases or near site)	Yes
<b>South Side on Lamar</b>	Dallas, TX	Residential, retail/commercial, office, hotel (future phases or near site)	Yes
<b>Gateway Transit Village</b>	New Brunswick, NJ	Residential, retail/commercial, office	Mixed
<b>Gates Rubber Factory</b>	Denver, CO	Residential, retail/commercial	No

APPENDIX B: KEY LAND USE AND DESIGN CONSIDERATIONS  
FOR PROMOTING TOD

Land Use and Design Strategies	Description	Resources	Selected Case Study Example(s)
<b>Incorporation of local artwork</b>	Many states and cities maintain a requirement of 1 percent for art for large-scale projects to fund and install public art.	National Assembly of State Arts Agencies. State Percent for Art Programs. <a href="http://www.nasaa-arts.org/Research/Key-Topics/Public-Art/State-Percent-for-Art-Programs.php">http://www.nasaa-arts.org/Research/Key-Topics/Public-Art/State-Percent-for-Art-Programs.php</a> .	Saratoga Lofts, New Orleans, LA; South Side on Lamar, Dallas, TX
<b>Changing zoning</b>	Supporting transit often requires increasing the level of development intensity permitted and/or developing mixed-use zoning districts. These may or may not include special features or procedures to promote place making and/or historic preservation.	Community Design and Architecture, Inc. <i>Model Transit-Oriented District Overlay Zoning Ordinance</i> . June 2001. <a href="http://www.reconnectingamerica.org/assets/Uploads/bestpractice230.pdf">http://www.reconnectingamerica.org/assets/Uploads/bestpractice230.pdf</a> .	Gates Rubber Factory, Denver, CO
<b>Transit orientation</b>	Orienting development around transit means providing a variety of housing types, businesses, and/or civic investments within 1/4 to 1/2 mile of fixed transit, and ensuring that transit use is actively supported through the design and function of the development (e.g., by providing wayfinding to and from destinations).	Center for Transit Oriented Development. Homepage. <a href="http://www.ctod.org/">http://www.ctod.org/</a> .	Mockingbird Station, Dallas, TX; Central Station, Memphis, TN
<b>Walkability</b>	Creating well-connected, pedestrian-friendly streets and spaces is integral to promoting transit use, promoting economic vitality, and supporting the character of historic structures and neighborhoods.	Walkable Communities, Inc. Homepage. <a href="http://www.walkable.org/">http://www.walkable.org/</a> .	Iberville, New Orleans, LA; Mockingbird Station, Dallas, TX
<b>Brownfields</b>	Though not without additional challenges, coordination of TOD with redevelopment of contaminated sites can maximize the impact of available financial incentives and the investment benefits to communities.	Minnesota Brownfields. <i>Brownfields and Transit-Oriented Development (TOD): Making Connections for Community-Wide Redevelopment Success</i> . <a href="http://mnbrownfields.org/wp-content/uploads/2013/07/TODandBrownfields051613.2-FINAL.pdf">http://mnbrownfields.org/wp-content/uploads/2013/07/TODandBrownfields051613.2-FINAL.pdf</a> .	Gates Rubber Factory, Denver, CO
<b>Parking</b>	TOD parking supply and pricing policy must be structured to support transit ridership goals (e.g., by implementing parking maximums rather than minimums).	Richard Willson, California State Polytechnic University, Pomona. "Parking Policy for Transit-Oriented Development: Lessons for Cities, Transit Agencies, and Developers." <i>Journal of Public Transportation</i> , Vol. 8, No. 5, 2005. <a href="http://www.reconnectingamerica.org/assets/Uploads/dallasbrief3.pdf">http://www.reconnectingamerica.org/assets/Uploads/dallasbrief3.pdf</a> .	Central Station, Memphis, TN; Cityline at Tenley, Washington, D.C.
<b>New construction designed with sensitivity to historic construction</b>	Context-sensitive design of new structures is essential to preserving the character of historic districts and creating a comfortable and attractive area.	Preservation Alliance for Greater Philadelphia. <i>Sense of Place: Design Guidelines for New Construction in Historic Districts</i> . 2007. <a href="http://www.preservationalliance.com/publications/">http://www.preservationalliance.com/publications/</a> .	Iberville, New Orleans, LA; Gateway Transit Village, New Brunswick, NJ



APPENDIX C: QUALIFICATIONS FOR  
INVESTMENT TAX CREDIT

20% Investment Tax Credit (ITC) (Historic Properties)	10% ITC (Non-historic Older Properties)
<p><b>Certified Historic Structure</b></p> <ul style="list-style-type: none"> <li>a. Individually listed in National Register of Historic Places or</li> <li>b. Building located in registered historic district and certified by National Park Service as contributing to district’s historic significance</li> <li>c. Part 1 certification</li> </ul>	Not applicable
<p><b>Substantial Rehabilitation</b></p> <ul style="list-style-type: none"> <li>a. <b>Rehab</b> = capital item that is depreciable over a 24-month period</li> <li>b. <b>Substantial</b> = must exceed the greater of the accounting-determined adjusted basis of the building and its structural components or \$5,000</li> </ul>	Same
<p><b>Certified Rehabilitation</b></p> <ul style="list-style-type: none"> <li>a. Rehabilitation consistent with historic character</li> <li>b. Has to meet Secretary of Interior standards</li> <li>c. Part 2/Part 3 certification</li> </ul>	Other rules (e.g., at least 50% of building’s existing walls remain as external or internal walls)
<p><b>ITC Characteristics</b></p> <ul style="list-style-type: none"> <li>a. ITC is dollar-for-dollar credit (unlike property depreciation whose value depends on taxpayer’s tax bracket)</li> <li>b. ITC is in addition to depreciation of building (depreciation can reduce taxes on real estate or other income), but depreciable basis is reduced by amount of tax credit</li> </ul>	Same



## CONTACT

**John Renne, Ph.D., AICP**

Florida Atlantic University

[jrenne@fau.edu](mailto:jrenne@fau.edu)

and

**David Listokin, Ph.D.**

Rutgers University

[Listokin@rci.rutgers.edu](mailto:Listokin@rci.rutgers.edu)

Funding for this publication was provided by a grant from the U.S. Department of Transportation University Transportation Centers Program to the Southwest Region University Transportation Center.

